

**PACIFIC GAS AND ELECTRIC COMPANY  
General Rate Case 2011 Phase I  
Application 09-12-020  
Data Response**

PG&E Data Request No.:	DRA_176-01		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_176-Q01		
Request Date:	March 3, 2010	Requester DR No.:	DRA-176-DAO
Date Sent:	March 17, 2010	Requesting Party:	DRA
PG&E Witness:	Robert Fassett	Requester:	Dao Phan

**SUBJECT: GAS O&M EXPENDITURES**

**QUESTION 1**

In PG&E's response to DRA-160, Question 1, PG&E states, "GEEM related expenditures were (and will be) funded by the reprioritization of 2007 GRC imputed funds".

- a. Please explain in details what is meant by "reprioritization of 2007 GRC imputed funds"
- b. Identify the year(s) and total amount of funding reprioritized for GEEM work.
- c. Please identify the MWCs and the amount of funding from each of these MWCs that was (and will be)"reprioritized" to GEEM work activities, for each year affected.

**ANSWER 1**

PG&E objects to this question on the grounds that it asks for actual 2009 data, which is not the basis of PG&E's 2011 GRC request. Notwithstanding the foregoing, and without waiving PG&E's right to object to the admissibility of the requested information into evidence, PG&E responds as follows

- a. In 2007 and 2008 PG&E incurred higher than 2007 GRC imputed expenditures for emergency, safety, compliance, new customer connection and new capacity work. To remain within the capital and expense expenditure levels imputed from the 2007 GRC settlement agreement, PG&E reduced levels of work in some programs PG&E reduced work in certain areas based on the judgment that the reductions would not affect safety or significantly impact reliability in the near term. Additionally, as noted in Exhibit (PG&E-1), Chapter 1, page 1-35, PG&E spent more on the gas and electric distribution lines of business in 2007 and 2008 than imputed from PG&E's 2007 GRC. While not specified in Exhibit (PG&E-1), Chapter 1 attachment

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- b. GEEM funding was not forecasted in PG&E's 2007 General Rate Case proceeding; therefore, all GEEM expenditures forecast in this GRC represent reprioritized funds. Workpaper 18-6 provides the GEEM expenditures by MWC for the years 2007 and 2008 (there were no GEEM expenditures prior to 2007). In sum, the 2007 GEEM expenditures were \$549,631 and the 2008 GEEM expenditures were \$17,792,642.
- c. Exact amounts shifted from one MWC to another are unavailable because PG&E re-evaluates cost forecasts and prioritization of work each year as discussed in Exhibit (PG&E-3), Chapter 1 (page 1-34) and does not track reprioritization by MWC. However, attachment GRC2011-Ph-I\_DR\_DRA\_176-Q01c-Atch01 reflects 2007, 2008, and 2009 recorded expenditures as compared to 2007 GRC imputed amounts. As shown in the attachment, PG&E did reduce levels of work in several areas (see Exhibit (PG&E-3), Chapter 1, page 1-35, lines 11-17), however PG&E also spent more on the gas and electric distribution function in 2007, 2008, and 2009 than imputed from PG&E's 2007 GRC.